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SENATE MEMORIAL 79

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Phil A. Griego

A MEMORIAL

REQUESTING THE FINANCIAL INSTITUTIONS DIVISION OF THE
REGULATION AND LICENSING DEPARTMENT TO STUDY THE FEASIBILITY OF
ENCOURAGING BETTER ACCESS TO RECORDS AND PROMOTION OF LOCAL
BUSINESS BY REQUIRING MORTGAGE LOAN COMPANIES LENDING IN NEW
MEXICO TO HAVE A REGISTERED OFFICE IN THE STATE AND ENACTING
CERTAIN RESIDENCY REQUIREMENTS FOR MORTGAGE LOAN COMPANY
MANAGERS.

WHEREAS, the choice of entering into a mortgage is one of
the largest and most long-term decisions individuals make in
their lifetime, and mortgage loan companies are integral in
providing the services necessary for entering into a mortgage;
and

WHEREAS, a company with clear ties to a state or community
may be better situated to provide meaningful financial advice

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1 and assistance to a person making such a large financial
2 commitment; and

3 WHEREAS, mortgage loan companies require many financial
4 and other personal records in conducting business and are
5 required by law to preserve those records for at least six
6 years; and

7 WHEREAS, often those records are kept out-of-state, making
8 it difficult for consumers of these loans to obtain copies of
9 the records or for entities required to provide oversight of
10 these companies to inspect the records; and

11 WHEREAS, the financial institutions division of the
12 regulation and licensing department is charged with oversight
13 of mortgage loan companies lending in New Mexico, but, if the
14 company is located out-of-state, it can be difficult, due to
15 travel and budgetary constraints, for the division to inspect
16 those out-of-state companies properly; and

17 WHEREAS, several of New Mexico's neighboring states have
18 enacted laws requiring mortgage loan companies operating in the
19 state to have a registered office in the state and for mortgage
20 loan company managers to be residents of the state;

21 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
22 OF NEW MEXICO that the financial institutions division of the
23 regulation and licensing department be requested to work with
24 individuals in the private mortgage loan industry to study ways
25 to reform the mortgage loan industry to promote closer ties

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1 between mortgage loan companies and their local communities and
2 to provide greater access to mortgage loan company records for
3 consumers and for necessary oversight; and

4 BE IT FURTHER RESOLVED that in conducting the study, the
5 division examine the feasibility of requiring mortgage loan
6 companies to have a registered office in the state and certain
7 residency requirements for mortgage loan company managers,
8 including the legality, and possible financial impact, of such
9 requirements and any necessary exceptions to such requirements;
10 and

11 BE IT FURTHER RESOLVED that the division examine the
12 impact that mortgage loan registered office requirements and
13 mortgage loan manager residency laws have had on neighboring
14 states that have enacted such laws; and

15 BE IT FURTHER RESOLVED that the division report its
16 findings to the appropriate legislative interim committee by
17 November 1, 2011, including possible statutory changes; and

18 BE IT FURTHER RESOLVED that copies of this memorial be
19 transmitted to the superintendent of regulation and licensing
20 and the legislative council service.